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Message Text

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PAGE 01 BOGOTA 07291 080939Z
ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 SAB-02 EB-08 IO-13 OMB-01 TRSE-00 SCS-03
DHA-02 ABF-01 FS-01 DEAE-00 SNM-02 /094 W
----------029513 080949Z /17
P R 052055Z AUG 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 3035
INFO AMEMBASSY CARACAS
USSOUTHCOM
AMCONSUL BARRANQUILLA
AMCONSUL CALI
AMCONSUL MEDELLIN

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EO 11652: NA
TAGS: PINT CASC ECON ECIN CO
SUBJECT: THE WEEK IN COLOMBIA

1. SUMMARY. THE GOC IS HOSTING A SIX-NATION SUMMIT CONFERENCE PRIMARILY TO DISCUSS THE PANAMA CANAL NEGOTIATIONS. CONGRESS HAS BEEN EXCEPTIONALLY SLOW TO ACT ON SEVERAL IMPORTANT PIECES OF LEGISLATION AS POLITICAL LEADERS CONCENTRATE ON CAMPAIGNING FOR THE PRESIDENTIAL NOMINATION. ANDEAN PACT OFFICIALS HERE EXPRESSED MILD OPTIMISM REGARDING THE VIABILITY OF THAT ORGANI-ZATION. THE RATE OF INFLATION DECREASED SLIGHTLY, AS DID THE VALUE OF THE PESO. IN UNRELATED CASES, FOUR PERSONS ARRESTED FOR NEGOTIATING THE RETURN OF A KIDNAPPED U.S. BUSINESSMAN WERE RELEASED, AS WERE THE REMAINING U.S. JET-AMBULANCE CREW MEMBERS WHO HAD BEEN CHARGED WITH SMUGGLING.

2. BOGOTA SUMMIT. SECURITY MEASURES WERE TIGHT IN BOGOTA AT WEEK'S END AS SIX CHIEFS OF STATE AND GOVERNMENT MET
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PAGE 02 BOGOTA 07291 080939Z

PRIMARILY TO DISCUSS THE PANAMA CANAL NEGOTIATIONS (BOGOTA 7235).

3. CONGRESS OFF TO A SLOW START. SINCE ITS INSTALLATION ON JULY 20, CONGRESS HAS BEEN UNABLE TOBEGIN WORK ON KEYLEGIS-LATION. EXTENSIVE CAMPAIGN GRIPS BY THE LIBERAL PARTY'S FOUR PRE-CANDIDATES AND THEIR CONGRESSIONAL SUPPORTERS HAVE CONTRIBUTED TO A CONSTANT LACK OF QUORUM, WHICH HAS KEPT IMPORTANT COMMITTEES

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FROM HOLDING SUBSTANTIVE MEETINGS OR ELECTING COMMITTEE LEADERS. THERE HAS BEEN NO ACTION ON LEGISLATION COVERING THE SEPARATION OF THE 1978 ELECTIONS OR ON THE CONSTITUTIONAL CONVENTION NEEDED TO REFORM THE JUDICIAL SYSTEM AND DEPARTMENTAL AND MUNICIPAL GOVERNMENTS. WHILE POOR ATTENDANCE IS COMMON IN CONGRESS, AND QUORUMS HAVE OFTEN BEEN MANUFACTURED IN THE PAST TO PUSH THROUGH NEEDED LEGISLATION, THE SLOW START IN THIS YEAR'S SESSION IS ESPECIALLY SIGNIFICANT IN VIEW OF THE IMPORTANCE, ESPECIALLY TO THE LIBERALS, OF SEVERAL ITEMS REQUIRING EARLY CONGRESSIONAL ACTION.

4. ANDEAN PACT MEETINGS. ANDEAN PACT COMMISSION MEMBERS FIGUEREDO AND VARGAS, ARRIVING IN BOGOTA THIS WEEK, ADMITTED TO THE PRESS THE NEED FOR STRONG POLITICAL SUPPORT TO KEEP THE PACT TOGETHER, BUT DENIED THAT PRESIDENTS PEREZ AND BANZER WERE PUSHING FOR APRESIDENTIAL SUMMIT MEETING AT THIS TIME. THE FOCUS OF THE CURRENT DISPUTE HAS BEEN THE DIFFICULTY OF REACHING AGREEMENT ON AUTOMOBILE SECTOR ASSIGNMENTS. ACCORDING TO VARGAS, NO COUNTRY IS CONSIDERING WITHDRAWING FROM THE PACT, BUT THE PACT ITSELF WOULD HAVE NO REASON TO EXIST IN THE ABSENCE OF AN AGREEMENT COVERING THE AUTOMOTIVE SECTOR.

5. INFLATION RATE DECLINES. THE RATE OF GROWTH OF THE CONSUMER PRICE INDEX DECLINED AGAIN IN JULY, INCREASING BY ONLY ONE PERCENT FOR WORKERS, A FIFTEEN PRECENT SEASONALLY ADJUSTED ANNUAL RATE. THE SEASONALLY ADJUSTED ANNUAL RATE THROUGH JULY IS THIRTY-NINE
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PERCENT, BUT WITH A LITTLE LUCK, INFLATION BY YEAR-END MAY BE SEVERAL POINTS BELOW THAT. IT IS TOO SOON TO TELL WHETHER THE PROBLEM HAS BEEN SOLVED BECAUSE INFLATION HISTORICALLY RECEIVES ITS GREATEST IMPETUS FROM RAPID YEAR-END MONETARY EXPANSION, SO THE MINISTER OF FINANCE MUST GET PAST NOVEMBER AND DECEMBER BEFORE HE CAN BE CONFIDENT THAT INFLATION WILL CONTINUE TO MOVE DOWNWARD. THE MONETARY AUTHORITIES ARE CONFIDENT ENOUGH AT LEAST TO BEGIN A GRADUAL DEVALUATION. THE PESO DROPPED BY FIVE CENTAVOS THIS WEEK, AN ANNUAL RATE OF ONLY ABOUT SEVEN PERCENT. THERE HAS BEEN CONSIDERABLE CRITICISM WITHIN THE GOVERNMENT OF THE FROZEN EXCHANGE RATE, BUT THE MINISTER OF FINANCE HAS BEEN HIGHLY RESISTANT TO ADVICE FROM HIS ECONOMIC ADVISORS.

6. CURTIS NEGOTIATORS FREED; JET-AMBULANCE CREW RELEASED. FOUR PERSONS ARRESTED FOR THEIR INVOLVEMENT IN NEGOTIATING THE RELEASE OF U.S. BUSINESSMAN GUSTAVO CURTIS (BOGOTA 4915) WERE RELEASED ON BOND AFTER A MILITARY PANEL DECIDED THAT THE MILITARY JUDGE WHO ORDERED THE ARRESTS HAD ERRED. THE FOUR STILL FACE CHARGES, IN CIVIL COURT, OF WITHHOLDING INFORMATION FROM LAW ENFORCEMENT OFFICIALS. THE TWO REMAINING MEMBERS OF A U.S. JET-AMBULANCE CREW, ARRESTED AFTER THEIR UNSUCCESSFUL ATTEMPT TO RESCUE A FATALLY INJURED AMERICAN SUSPECTED OF DRUG TRAFF-

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ICKING, WERE ALSO RELEASED AFTER A CUSTOMS JUDGE FOUND THEM INNO-
CENT OF SMUGGLING CHARGES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: POLITICAL SUMMARIES
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Format: TEL
From: BOGOTA
Handling Restrictions: n/a
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